

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1789 – SB 1828

February 9, 2016

SUMMARY OF ORIGINAL BILL: Requires digital billboards to be erected and begin displaying an outdoor advertising message within two years instead of 180 days after the date on which a permit is granted.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012064): Deletes all language of the original bill. Requires digital billboards to be erected and begin displaying an outdoor advertising message within 12 months instead of 180 days after the date on which a permit is granted. Authorizes the permit owner to obtain an additional 12 months of time to install an outdoor advertising message sign upon payment of an additional \$200 permit fee that is separate from any annual permit renewal fee pursuant to Tenn. Code. Ann. § 54-21-104.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Under the Billboard Regulation and Control Act of 1972, the Department of Transportation (TDOT) is authorized to grant permits to individuals seeking to erect a changeable message sign, as defined under Tenn. Code Ann. § 54-21-102, with a digital display.
- Such permits are valid for up to 180 calendar days. According to TDOT, a permit fee of \$200 is imposed.
- If the permitted changeable message sign with a digital display is not erected within the authorized 180 calendar-day period, the permit shall be revoked. Upon revocation of such a permit, an individual may seek another permit for an additional 180 days, upon payment of an additional \$200 fee.
- All fee revenue is deposited to the Highway Fund for the purpose of funding programs for the prevention and collection of litter.

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- Under this bill as amended, an individual may seek a permit to erect a changeable message sign with a digital display for a period of one year, upon payment of the \$200 fee that is imposed under current law.
- The bill as amended also authorizes TDOT to assess a \$200 fee if the permitted sign is not erected within the authorized 12-month period and the individual seeks additional time.
- As a result, the total permit fees imposed on individuals that may require extended time periods to erect changeable message signs will decrease.
- An individual seeking a permission to erect a sign for a total of two years would be required to pay a total of \$800 in permit fees under current law (four \$200 payments for a period of six months each). Under this bill as amended, such an individual would be required to pay a total of \$400 in permit fees (two \$200 payments for a period of twelve months each).
- However, based on information provided by TDOT, it is estimated that the proposed time extension to the validity of changeable message sign permits will not result in a significant decrease in the number of permits issued or the total fee collections to the Highway Fund. It is estimated that the number of individuals that will be affected by the proposed changes is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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